

## COMMITMENT FOUR:

We will strive to ensure that food, agricultural trade and overall trade policies are conducive to fostering food security for all through a fair and market-oriented world trade system.

### OBJECTIVES AND ACTIONS

**OBJECTIVE 4.1: To meet the challenges of and utilize the opportunities arising from the international trade framework established in recent global and regional trade negotiations.**

*To this end, governments, in partnership with all actors of civil society, will, as appropriate:*

*(a) Endeavour to establish, especially in developing countries, well functioning internal marketing and transportation systems to facilitate better links within and between domestic, regional and world markets, and diversify trade;*

*(b) Seek to ensure that national policies related to international and regional trade agreements do not have an adverse impact on women's new and traditional economic activities towards food security.*

**Members of the WTO will:**

*(c) Pursue the implementation of the Uruguay Round Agreement which will improve market opportunities for efficient food, agricultural, fisheries and forestry producers and processors, particularly those of developing countries.*

The United States:

The United States has well functioning internal marketing and transport systems which facilitate close links within and between domestic, regional, and world markets, and diversify trade.

The United States is not aware of any national policies that have an adverse impact on women's economic activities towards food security.

A coalition of U.S. organizations, Women's Economic development and Gender Equality (EDGE), is encouraging U.S. policymakers to undertake gender analysis to understand the impact on women of trade agreements and other macro-economic policies. The President's Inter-Agency Council on Women, chaired by the Secretary of State, has established a working group on Women and the Global Economy that will seek to integrate gender perspective into government agency work.

The United States reaffirms the commitments it made in the Uruguay Round and will faithfully carry them out. These include commitments to reduce trade-distorting subsidies and provide new market access opportunities.

The United States provides leadership in assuring a more open, fair, and efficient world trading system. This leadership has most recently been exhibited through efforts to bring agriculture more effectively under the multilateral rules in establishing a more effective dispute settlement mechanism for the new WTO. The North American Free Trade Agreement, the Caribbean Basin Initiative, and U.S. participation in discussions of an Asia-Pacific Economic Community are indications of U.S. willingness to open its markets to developing countries and its recognition of the importance of free and open markets to ensuring improved availability and access to food by developing as well as developed countries. The Uruguay Round Agreement and the WTO represent important steps in reforming the global trading system, opening markets, and establishing new rules for fair trade. Trade stimulates competition, helps gear production to demand, increases employment, boosts investment, bolsters economic growth, and facilitates the broad sharing among countries of supply and demand shocks, thus reducing the variability of world market prices.

Many of the products the United States imports from developing countries are generally not grown domestically, such as coffee, cocoa, tea, rubber, bananas, and tropical oils. However, the United States also imports large quantities of products identical or

similar to those produced domestically. These include a wide assortment of fresh and processed fruits and vegetables, nursery products, sweeteners, live animals, and tobacco. As a member of the WTO, the United States applies its sanitary and phytosanitary regulations in a non-discriminatory fashion. The United States provides technical assistance to assist other countries to apply such standards in a non-discriminatory fashion.

The United States is a major importer of food from developing countries, providing them with valuable foreign exchange. The European Union, Japan, and the United States are the world's largest importers of agricultural products by a large margin. For fiscal year 1996, U.S. agricultural imports are forecast at \$30.5 billion. Taken as a group, developing countries have historically supplied just over half of total U.S. agricultural imports. In fiscal 1996, imports from developing countries are approximately \$16 billion or approximately 54 percent of the total.

Six developing countries made the list of the top 10 suppliers of agricultural products to the United States in 1995. Third-ranked Mexico was followed by Indonesia, Brazil, Colombia, and Thailand. Guatemala placed tenth. If the list were expanded to include the top 20 suppliers, the number of developing countries would jump to 15 and include Costa Rica, Ecuador, the Philippines, Chile, China, Malaysia, Argentina, India, and the Dominican Republic.

***The international community, in cooperation with governments and civil society, will, as appropriate:***

*(d) Continue to assist countries to adjust their institutions and standards both for internal and external trade to food safety and sanitary requirements;*

*(e) Give full consideration to promote financial and technical assistance to improve the agricultural productivity and infrastructure of developing countries, especially the LIFDCs, in order to optimize the opportunities arising from the international trade framework;*

*(f) Promote technical assistance and encourage technology transfer consistent with international trade rules, in particular to those developing countries needing it, to meet international standards, so that they are in a position to take advantage of the new market opportunities;*

*(g) Endeavour to ensure mutual supportiveness of trade and environment policies in support of sustainable food security, looking to the WTO to address the relationship between WTO provisions and trade measures for environment purposes, in conformity with the provisions of the Ministerial Decision on Trade and Environment in the Uruguay Round Agreement, and make every effort to ensure that environmental measures do not unfairly affect market access for developing countries' food and agricultural exports;*

The United States does this through participation in the respective committees of the WTO.

See also 2.3 (b).

The United States is receptive to providing technical assistance, particularly in regard to establishing an enabling policy environment, to improve the agricultural productivity of developing countries in order to optimize the opportunities arising from the international trade framework.

n.a.

Under the Uruguay Round agreement, for market access, all countries were required to eliminate non-tariff barriers and replace them with tariffs, thus simplifying future negotiations to liberalize agricultural markets. Developed countries must also reduce agricultural tariffs by a minimum of 15 percent over 6 years, while developing countries must make minimum 10-percent reductions in each agricultural tariff over 10 years. Within those same time frames, countries must make an overall average tariff reduction of 36 percent (developed countries) or 24 percent (developing countries). The agreement also required all countries to establish minimum access opportunities and maintain current access opportunities for products previously subject to non-tariff import barriers. The United States reaffirms the commitments it made in the Uruguay Round and is faithfully carrying them out.

*(h) Conduct international trade in fish and fishery products in a sustainable manner in accordance, as appropriate, with the principles, rights and obligations established in the World Trade Organization (WTO) Agreement, the UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks, the Code of Conduct for Responsible Fisheries and other relevant international agreements.*

See also 4.1 (c)

n.a.

**OBJECTIVE 4.2: To meet essential food import needs in all countries, considering world price and supply fluctuations and taking especially into account food consumption levels of vulnerable groups in developing countries.**

***To this end, governments and the international community will, as appropriate:***

The United States:

*(a) Recognizing the effects of world price fluctuations, examine WTO-compatible options and take any appropriate steps to safeguard the ability of importing developing countries, especially LIFDCs, to purchase adequate supplies of basic foodstuffs from external sources on reasonable terms and conditions.*

The United States is developing a framework for analyzing the impact of price variability on food imports and food security in Southern Africa, and evaluating the role of several risk management approaches to dealing with price volatility.

See 4.2 (b)

***Food exporting countries should:***

*(b) Act as reliable sources of supplies to their trading partners and give due consideration to the food security of importing countries, especially the LIFDCs;*

Is committed to remaining a reliable supplier of food to its trading partners. When grain supplies tight were last tight, the Secretary of Agriculture took several steps to ensure that more U.S. grain would be available to the market, announcing an early-release option for eligible land in the Conservation Reserve Program and the authority to release wheat from the U.S. Food Security Commodity Reserve to meet humanitarian food needs. The Secretary also reaffirmed that the U.S. Government would not restrict exports because of the high prices and tight supplies. The U.S. agricultural sector has traditionally borne the brunt of swings in global food production. In times of global surplus, the U.S. Government carried excess grain stocks, which had a depressing effect on U.S. prices. When the world market was short, importers looked to the United States to meet their needs. In doing so in years of reduced U.S. grain harvests, domestic users (along with importers) of grain faced higher prices. For the U.S. livestock sector, the largest use sector for U.S. grains, tight supplies have regularly resulted in sharp cutbacks in U.S. feed use of grains. Keeping the U.S. market open has meant that domestic users compete for tight supplies at higher prices.

The U.S. market makes major adjustments in grain use for livestock feeding in periods of tight supply in order to maintain its role of a reliable supplier of grains to world markets. During 1995/96, higher prices for grain reduced U.S. livestock feeding by 30 million tons from the previous year. This 18-percent reduction in use came as customers in Asia imported and consumed record volumes of grains. The U.S. reaction is in sharp contrast to actions of other exporters who are protecting domestic grain users from tight supplies by taxing exports to stem the outward flow. Feed use of grain in exporting countries is expected to be up for the third consecutive year, while importers are forced to seek alternative supplies from nontraditional exporters.

*(c) Reduce subsidies on food exports in conformity with the Uruguay Round Agreement in the context of the*

*ongoing process of reform in agriculture conducted in the WTO;*

*(d) Administer all export-related trade policies and programmes responsibly, with a view to avoiding disruptions in world food and agriculture import and export markets, in order to improve the environment to enhance supplies, production and food security, especially in developing countries.*

***Members of the WTO will:***

*(e) Fully implement the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries through the WTO Committee on Agriculture and encourage international financial institutions, where appropriate, to help least-developed and net food-importing developing countries to meet short-term difficulties in financing essential food imports;*

*(f) Refrain from using export restrictions in accordance with Article 12 of the WTO Agreement on Agriculture.*

***International organizations, and particularly FAO, will:***

*(g) Continue to monitor closely and inform member nations of developments in world food prices and stocks.*

The Uruguay Round resulted in the first meaningful discipline on agricultural export subsidies. Using the average levels of export subsidies in the 1986-90 period as a base, developed countries must reduce export subsidies by 21 percent in quantity terms and 36 percent in budgetary outlay terms. These two reduction requirements by developing countries are 14 percent and 24 percent respectively. Products which did not receive export subsidies in the base period are not eligible for future subsidies. The United States reaffirms the commitments made in the Uruguay Round and is faithfully carrying them out.

See also 4.1 (c)

See above.

In response to the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food Importing Developing Countries, the United States will work within the framework of the renegotiation of the 1995 Food Aid Convention (FAC) to "development recommendations with a view towards establishing a level of food aid commitments, covering as wide a range of donors and donable foodstuffs as possible, which is sufficient to meet the legitimate needs of developing countries during the reform programme."

Civil society groups are in ongoing discussion with the U.S. government about implementation of the Marrakesh decision.

The United States is in compliance with Article 12.

See also 4.2 (b)

n.a.

**OBJECTIVE 4.3: To support the continuation of the reform process in conformity with the Uruguay Round Agreement, particularly Article 20 of the Agreement on Agriculture.**

<i>To this end, governments will, as appropriate:</i>	The United States:
<i>(a) Promote the national and regional food security policies and programmes of developing countries particularly in regard to their staple food supplies;</i>	n.a.
<i>(b) Support the continuation of the reform process in conformity with the Uruguay Round Agreement and ensure that developing countries are well informed and equal partners in the process, working for effective solutions that improve their access to markets and are conducive to the achievement of sustainable food security.</i>	<p>The United States views the Uruguay Round as a first step in the reform process to promote a more free and fair trading system for global agriculture.</p> <p>See also 4.1 (c), 4.2 (b), and 4.2 (c).</p>
<b><i>International organizations, including FAO, will, according to their respective mandates:</i></b>	
<i>(c) Continue to assist developing countries in preparing for multilateral trade negotiations including in agriculture, fisheries and forestry inter alia through studies, analysis and training.</i>	n.a.